LIFEHOUSE, INC.

FINANCIAL STATEMENTS
(Reviewed)

Years Ended December 31, 2024 and 2023

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deming malone livesay + ostroff

Independent Accountants' Review Report

To the Board of Directors
Lifehouse, Inc.
Louisville, Kentucky

We have reviewed the accompanying financial statements of Lifehouse, Inc. (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Lifehouse, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

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Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Deming, Malone, Livesay & Ostroff

Louisville, Kentucky
March 18, 2025

LIFEHOUSE, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2024 and 2023

See Independent Accountants' Review Report

	2024	2023
Assets		
Cash and cash equivalents	$ 323,862	$ 349,370
Investments	809,777	613,570
Contribution and grant receivables	8,199	12,598
Employee retention credit receivable	63,762	63,762
Prepaid expenses	1,555	1,744
Property and equipment, net	623,131	650,255
Total assets	$ 1,830,286	$ 1,691,299
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 6,425	$ 6,699
Accrued expenses	33,807	28,719
Security deposits	1,000	1,000
Total liabilities	41,232	36,418
Net Assets		
Without donor restrictions:		
Undesignated	902,689	993,592
Board designated	809,777	613,570
	1,712,466	1,607,162
With donor restrictions	76,588	47,719
Total net assets	1,789,054	1,654,881
Total liabilities and net assets	$ 1,830,286	$ 1,691,299

See Notes to Financial Statements.

LIFEHOUSE, INC.

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2024 and 2023

See Independent Accountants' Review Report

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Support						
Contributions and grants	$ 439,421	$ 88,900	$ 528,321	$ 559,601	$ 42,598	$ 602,199
Employee retention credits				63,762		63,762
Special events	219,718		219,718	44,518		44,518
Net investment return	40,064		40,064	17,239		17,239
Other income	42		42	338		338
Net assets released from restrictions:						
Purpose restrictions	60,031	(60,031)		70,931	(70,931)	
Time restrictions				3,000	(3,000)	
Total revenues and support	759,276	28,869	788,145	759,389	(31,333)	728,056
Expenses						
Program	388,045		388,045	367,946		367,946
Management and general	96,362		96,362	74,232		74,232
Fund-raising	169,565		169,565	143,418		143,418
Total expenses	653,972		653,972	585,596		585,596
Net change in net assets	105,304	28,869	134,173	173,793	(31,333)	142,460
Net assets at beginning of year	1,607,162	47,719	1,654,881	1,433,369	79,052	1,512,421
Net assets at end of year	$ 1,712,466	$ 76,588	$ 1,789,054	$ 1,607,162	$ 47,719	$ 1,654,881

See Notes to Financial Statements.

LIFEHOUSE, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended December 31, 2024 and 2023

See Independent Accountants' Review Report

	2024				2023			
	Program	Management and General	Fund-raising	Total	Program	Management and General	Fund-raising	Total
Salaries and wages	$ 277,726	$ 62,010	$ 77,609	$ 417,345	$ 272,809	$ 15,467	$ 79,854	$ 368,130
Payroll taxes	21,126	4,777	5,965	31,868	20,952	1,169	6,122	28,243
Workers compensation	2,182	198	99	2,479	1,239	99	70	1,408
Participant education and assistance	11,130			11,130	6,791	46		6,837
Professional fees		14,120		14,120		36,108		36,108
Office expense	10,647	4,698	2,730	18,075	8,667	4,284	1,475	14,426
Printing and postage	832	514	29,440	30,786	413	418	13,259	14,090
Insurance	14,168	1,288	646	16,102	11,917	1,097	685	13,699
Utilities	12,570	1,156	722	14,448	11,770	1,095	676	13,541
Repairs and maintenance	10,677	472	431	11,580	1,347	3,298		4,645
Conferences, travel and dues	3,007	1,512	5,771	10,290	8,139	2,657	4,886	15,682
Bank fees	8	2,459	2,105	4,572		2,439	2,327	4,766
Marketing	21	142	13,871	14,034		1,446	11,330	12,776
Grant writer			6,653	6,653			6,213	6,213
Other	353	846	104	1,303	112	2,422		2,534
Special events			22,063	22,063			15,154	15,154
Depreciation	23,598	2,170	1,356	27,124	23,790	2,187	1,367	27,344
	$ 388,045	$ 96,362	$ 169,565	$ 653,972	$ 367,946	$ 74,232	$ 143,418	$ 585,596

See Notes to Financial Statements.

LIFEHOUSE, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 and 2023

See Independent Accountants' Review Report

	2024	2023
Cash Flows from Operating Activities		
Net change in net assets	$ 134,173	$ 142,460
Adjustments to reconcile net change in net assets to net cash provided by operating activities:		
Depreciation	27,124	27,344
Unrealized gain on investments	(10,228)	(518)
Investment income reinvested	(29,296)	(13,072)
(Increase) decrease in assets:		
Contribution and grant receivables	4,399	(11,422)
Employee retention credit receivables		(63,762)
Prepaid expenses	189	(320)
Increase (decrease) in liabilities:		
Accounts payable	(274)	4,454
Accrued expenses	5,088	8,729
Custodial funds		(5,895)
Net cash provided by operating activities	131,175	87,998
Cash Flows from Investing Activities		
Purchase of property and equipment		(18,469)
Proceeds from sale of investments	13,317	
Purchases of investments	(170,000)	(599,980)
Net cash used in investing activities	(156,683)	(618,449)
Net change in cash and cash equivalents	(25,508)	(530,451)
Cash and cash equivalents at beginning of year	349,370	879,821
Cash and cash equivalents at end of year	$ 323,862	$ 349,370

See Notes to Financial Statements.

LIFEHOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

Description of Organization:

Lifehouse, Inc. (Organization) is a not-for-profit organization formed for the purpose of helping women through difficult maternity processes including unwanted pregnancies, partner abuse or financial issues. The Organization's holistic approach helps satisfy mothers' physical and financial needs as well as their mental and spiritual needs.

A significant portion of the Organization's funding is received from donor contributions and grants.

Summary of significant accounting policies:

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Net assets:

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition:

Contributions and grants received and unconditional promises to give are measured at their fair values and reported as an increase in net assets when received. Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Organization records contributed services that require specific expertise and would normally have been purchased at fair value. Contributed services that do not meet these requirements are not reflected in the financial statements.

The exchange portion of special events revenue is one performance obligation and is recognized at a point in time when direct benefits are provided to the donor.

The Organization reports donor restricted contributions whose restrictions are met in the same reporting period as support without donor restriction.

Cash and cash equivalents:

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less, not held as part of investment portfolio, to be cash equivalents.

Investments:

Investments are recorded at fair value. Donated investments are recorded at their fair value as of the date received. See Note 3 for discussion of fair value measurements.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. It is reasonably possible that changes in the values of investments could occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Contribution and grant receivables:

The valuation of contribution and grant receivables is based on a detailed analysis of past due accounts and the history of uncollectible accounts. The Organization periodically reviews doubtful receivables to determine if write-offs are necessary. There was no allowance for receivables as of December 31, 2024 and 2023.

Property and equipment:

Property and equipment are stated at cost, if purchased, or fair value as of date of donation, if donated. The Organization's policy is to capitalize asset purchases exceeding $750. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from 3 to 39 years.

Income taxes:

The Organization is exempt from federal, state, and local income taxes as a not-for-profit organization described under Internal Revenue Code Section 501(c)(3). In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Organization files an informational tax return in the U.S. federal jurisdiction and with the Kentucky Office of Attorney General.

As of December 31, 2024 and 2023, the Organization did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the year then ended.

Functional allocation of expenses:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain expenses are allocated on a square footage basis or on the basis of estimates of time and effort.

Subsequent events:

Subsequent events have been evaluated through March 18, 2025, which is the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

Note 2. Liquidity and Availability

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of the December 31, 2024 and 2023 statements of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	$323,862	$349,370
Contribution and grant receivables	8,199	12,598
Less funds with donor restrictions	(76,588)	(47,719)
	$255,473	$314,249

The Organization's endowment consists of funds designated by the Board of Directors to function as endowments. Board designated endowment funds of $809,777 could be made available for general expenditures if necessary.

The Organization manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

Note 3. Investments and Fair Value Measurements

Accounting principles generally accepted in the United States of America provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active or inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTES TO FINANCIAL STATEMENTS

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

All assets have been valued using a market approach. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2024 and 2023.

> Cash equivalents and fixed income funds – valued at the closing price reported in the active market in which the security is traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value of investments as of December 31, 2024 and 2023 are as follows (all Level 1 investments):

	2024		
	Cost	Fair Value	Unrealized Appreciation
Cash equivalents	$443,271	$443,271	
Fixed income funds	355,760	366,506	$10,746
	$799,031	$809,777	$10,746

	2023		
	Cost	Fair Value	Unrealized Appreciation
Cash equivalents	$257,292	$257,292	
Fixed income funds	355,760	356,278	$518
	$613,052	$613,570	$518

Note 4. Endowment Funds

The Organization's endowment funds consist of investments without donor restrictions. These funds have been designated by the Board of Directors to serve as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in board designated (without donor restrictions) endowment net assets for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Endowment net assets, beginning of year	$613,570	
Net investment return	39,524	$ 13,590
Transfers to operations	(13,317)	
Transfers from operations	170,000	599,980
Endowment net assets, end of year	$809,777	$613,570

Return objectives, risk parameters and strategies:

The Organization has investment objectives and spending policies for funds functioning as endowment assets that attempt to provide a predictable stream of funding to provide operational support by its endowment while seeking to maintain the purchasing power of the endowment assets. As approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that provide adequate and stable funding sufficient to meet the Organization's needs. The Organization expects its endowment funds, over time, to provide annual real investment returns (growth and income) to enhance funding resources to be available in the future. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the organization relies on a strategy in which investment returns are achieved mainly through current yield (interest and dividends). The Organization targets a conservative asset allocation.

Spending policy:

As approved by the Board of Directors, funds may be appropriated for expenditure as necessary to meet the operational needs of the Organization.

Note 5. Contribution and Grant Receivables

All contribution and grant receivables are due within one year of the statements of financial position. As of December 31, 2023, one donor accounted for 95% of the receivable balance. There was no such concentration as of December 31, 2024

Note 6. Property and Equipment

Property and equipment consist of the following at December 31:

	2024	2023
Land, buildings and improvements	$ 885,953	$ 885,953
Equipment	39,190	39,190
	925,143	925,143
Less accumulated depreciation	(302,012)	(274,888)
	$ 623,131	$ 650,255
Depreciation expense	$ 27,124	$ 27,344

Note 7. Net Assets with Donor Restrictions

Net assets are restricted for the following at December 31:

	2024	2023
Subject to expenditure for specified purpose:		
Capital items	$26,000	
Earn While You Learn	8,349	$ 5,121
House mentors	15,000	15,000
Program participant gifts	1,239	
Education and case management	26,000	27,598
	$76,588	$47,719

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors.

Note 8. Concentrations

The Organization maintains its cash at various financial institutions. The total balance of accounts at each institution is insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2024, the Organization's uninsured cash balance totaled approximately $39,100.

Note 9. Employee Retention Credit

In response to the COVID-19 pandemic, the U.S. Congress enacted the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which among other things, established the provisions of a refundable payroll tax credit referred to as the Employee Retention Credit (ERC). Under the CARES Act, an organization is eligible for an ERC subject to certain criteria. During the year ended December 31, 2023, the Organization claimed an ERC in the amount of $63,762. The Organization recorded the ERC using the FASB ASC 58-908 Conditional Contribution model. As such, the amount of the credit claimed is included as a receivable and revenue in the financial statements as of and for the year ended December 31, 2023. As of December 31, 2024, the amount remains a receivable on the statements of financial position.

The Organization utilized a consulting group to determine eligibility, calculate and file for the ERC. As a result, the Organization incurred consulting fees of $12,752 which are included in accrued expenses and professional fees in the financial statements as of and for the year ended December 31, 2023. As of December 31, 2024, the amount remains in accrued expenses on the statements of financial position.